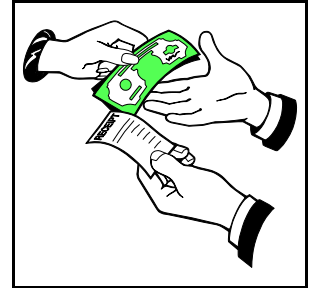


SECTION L – CLOSE OUT

1. OVERVIEW

The closeout process in the CDBG Program takes place when:

- ◆ **The project is complete,**
- ◆ **Monitoring has occurred, and**
- ◆ **All of the CDBG funds have been spent by the grantee.**



It consists of the completion of a final report which includes certification that the funds have been properly spent, a description of what was actually accomplished as it compares to the contract scope of work and documentation of who actually benefited from the project. The grantee also releases the state from any further obligation with regard to this contract.

All grantees are required to complete this final report because it becomes the basis on which CDBG compliance is measured and on which future grants are based. Grantees are responsible for the orderly and timely closeout of any sub-contracts they may have in connection with the grant and the financial settlement of sub-contractor claims.

The grantee will receive a Closeout Report from the state to complete along with a letter indicating that the grantee has satisfied any concerns or issues identified in the monitoring letter. The Closeout Report will be sent after the following criteria have been met:

- All CDBG funds have been spent and drawn down by the grantee.
- The project has been monitored by the State and the grantee has resolved any outstanding issues.
- The Grantee has fulfilled all of its contractual obligations identified in the contract. The state has determined that it has no further interest in keeping the contract open.

The project manager needs to complete the closeout packet as he/she has first hand knowledge of what actually took place during the project.

Remember, the State has the right to recapture any funds determined as ineligible.

When the closeout packet is accepted a Certificate of Completion will be sent to the Grantee.

2. DISPOSITION OF EQUIPMENT AND SUPPLIES PURCHASED WITH CDBG FUNDS

Equipment. When original or replacement equipment acquired under a CDBG grant is no longer needed for the original project or program, or for other activities currently or previously supported by a Federal agency, disposition will be as follows:

- (1) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.
- (2) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained or sold or otherwise disposed of with no further obligation to the awarding agency
- (3) In cases where a grantee or sub-grantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or sub-grantee to take excess disposition actions.

Supplies. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or sub-grantee shall compensate the awarding agency for its share.

Title to supplies acquired under a grant or sub-grant will vest, upon acquisition, in the grantee or sub-grantee respectively.

3. GRANTEE CLOSE OUT PROCEDURES

The Grantee shall:

- a. Refund to the State any un-obligated CDBG funds.
- b. Submit the Closeout Report within 30 days of receipt along with any outstanding reports/documentation requested in the State monitoring letter.
- c. Retain all financial and project records for a minimum of five years from the day the Grantee receives its closeout certificate.

INSTRUCTIONS FOR COMPLETING CLOSE OUT REPORT

GRANTEE'S RELEASE FORM:

- Enter contract number and brief project description. (Waterline, senior center, etc)
- Enter grantee name (the name of the city, county, town or AOG sponsoring the project)
- Sub-Grantee: Enter non-profit agency name, housing authority or Special Service District if applicable.
- Enter the Director's name of non-profit agency or housing authority if applicable
- Complete 2nd section by entering contract number and amount actually paid to grantee by the State (this may be less than the contract amount).

LEVERAGED FUNDS:

- Complete table using the total actual project costs incurred through the end date of the contract.

FINAL PROJECT STATUS REPORT

- Circle the project's national objective: LMI? Slum and Blight? Urgent Health & Welfare? (Most projects are LMI)
- Enter a detailed description of the project.

PROJECT BENEFICIARIES

- Beneficiary information must be collected by "persons" or "households" based on the type of activity funded. Using the criteria provided, circle one or the other.
- Item #1 – Enter all beneficiaries using the race categories. (Both LMI and Non-LMI)
IMPORTANT NOTE!!!! All the racial totals must add up to the total number of beneficiaries.
- Item #2 – Enter the total # of LMI beneficiaries. (This may be the same if project is targeted)
- Item #3 – Enter the # of Female Head of Households
- Item #4 – Document the source of the statistics. (For ADA projects, please go to www.census.gov and click on "American FactFinder" on the left side. Choose the social characteristics table for your city and county to find the number of disabled persons in your community. This is an excellent source for many kinds of population and race data.)
- Certification: Project Manager should sign and date.